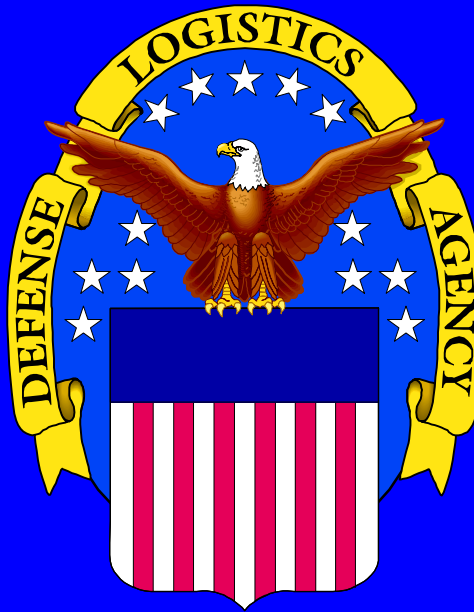
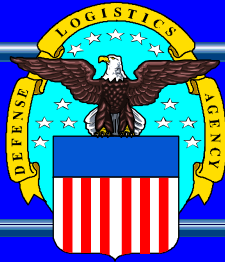


# Defense Contract Management Command



## DCMC Strategic Perspective



# But We Also Remember... Nothing is More Important Than Customer Satisfaction

*NASA*



*Navy*



*Air Force*

*Marines*



*Contingency Ops & Humanitarian Relief*



Bosnai  
Somalia  
Rwanda  
Haiti

*Army*

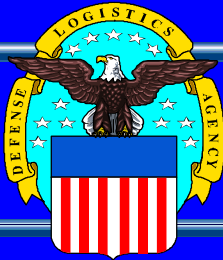


*C  
I  
N  
C  
S*

*Foreign Military Sales*



*Peacetime Readiness, Contingency Support, Wartime Preparedness*



# DLA Mission

To Provide Worldwide Logistic Support to the *Warfighter* by  
Delivering Quality Material and Services to Our Customers,  
On Time, at a Comparative Price

## > Inventory Manager/Aquirer

- > Manage all Food, Fuel, Medical Supplies, Clothing
  - > 4M Consumable Spare Parts... 85% DoD Total
  - > Supporting over 1400 Weapon Systems
  - > \$9B Inventory
  - > \$11B Annual Sales
- > Cataloger for all DoD Items
- > \$24B Annual Reutilization/Disposals
- > \$6B National Stockpile

## > Contract Manager

- > \$937B Active Contracts
- > 377K Prime Contracts
- > 24K Contractors

## > Distributor/Warehouser

- > All DoD Wholesalers
- > \$107B Stored
- > 568M Cubic Feet of Storable Space
- > 31M Receipts and Issues a Year

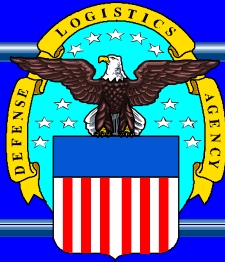
Multi-Faceted  
Business  
Equivalent to #62 on  
Fortune 500



# The Mission's Still the Same But Our Strategy Has Changed

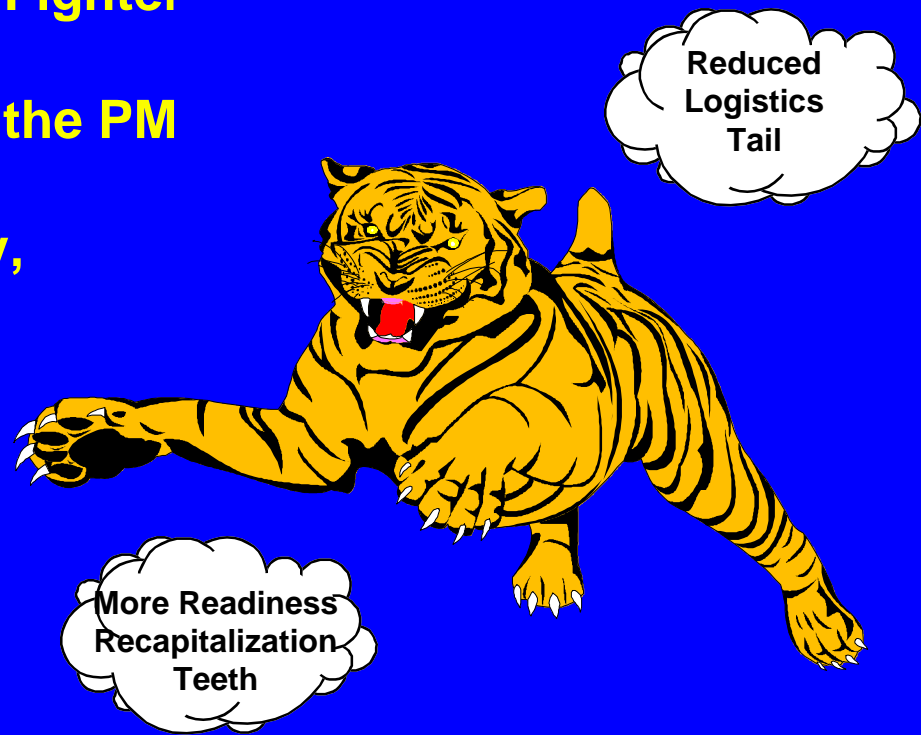
- **Material Support:**
  - From a reactive Wholesaler... to a Proactive Broker Who Secures the Best Support -- Regardless of Source
- **Contract Management:**
  - From Oversight and Process Compliance... to Insight and Process Improvement
- **In Both Operations:**
  - We Adopt or Adapt Best Business Practices (Commercial or Government)
  - We Privatize if it Makes Good Sense to do so... Type of Business and Marketplace Drive the Decision
  - We Team with Our Customers and Industry
  - We Measure Performance From the Customer's Perspective
  - We're on Scene with Our Customer... in CONUS and Overseas

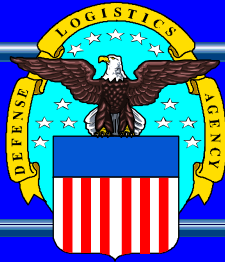
*Truly a Combat Support Agency*



## Our Vision of 3 years Ago is Today's Reality

- Logistics Readiness and Weapons System Acquisition at Greatly Reduced Cost... Returning Resources to the Warfighter
- Suppliers of Choice to the War Fighter
- Contract Manager of Choice to the PM
- Radical Improvement in Quality, Affordability, Responsiveness





# DLA: A Readiness Partner and Resource Multiplier

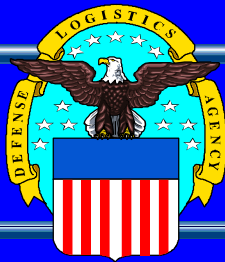
## 3 years of DLA Reinvention

Business  
Process  
Reengineering + Selective  
Privatization + Acquisition  
Reform + Emerging  
Technology  
Insertion =

## Results

- Reduced Cycle Time
- Smaller Infrastructure
- Lower Cost
- Improved Readiness
- Savings for  
Recapitalization/QOL

***Significant Payoffs to Warfighters***



## The Threat

*Necessity is*  
**the Mother**  
*Of Invention*

Motivate Reengineering / Reform / Reinvention



**Cut A Bunch and See What Happens**

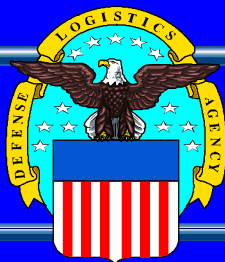


# Changing Environment...

## How They Apply to Us

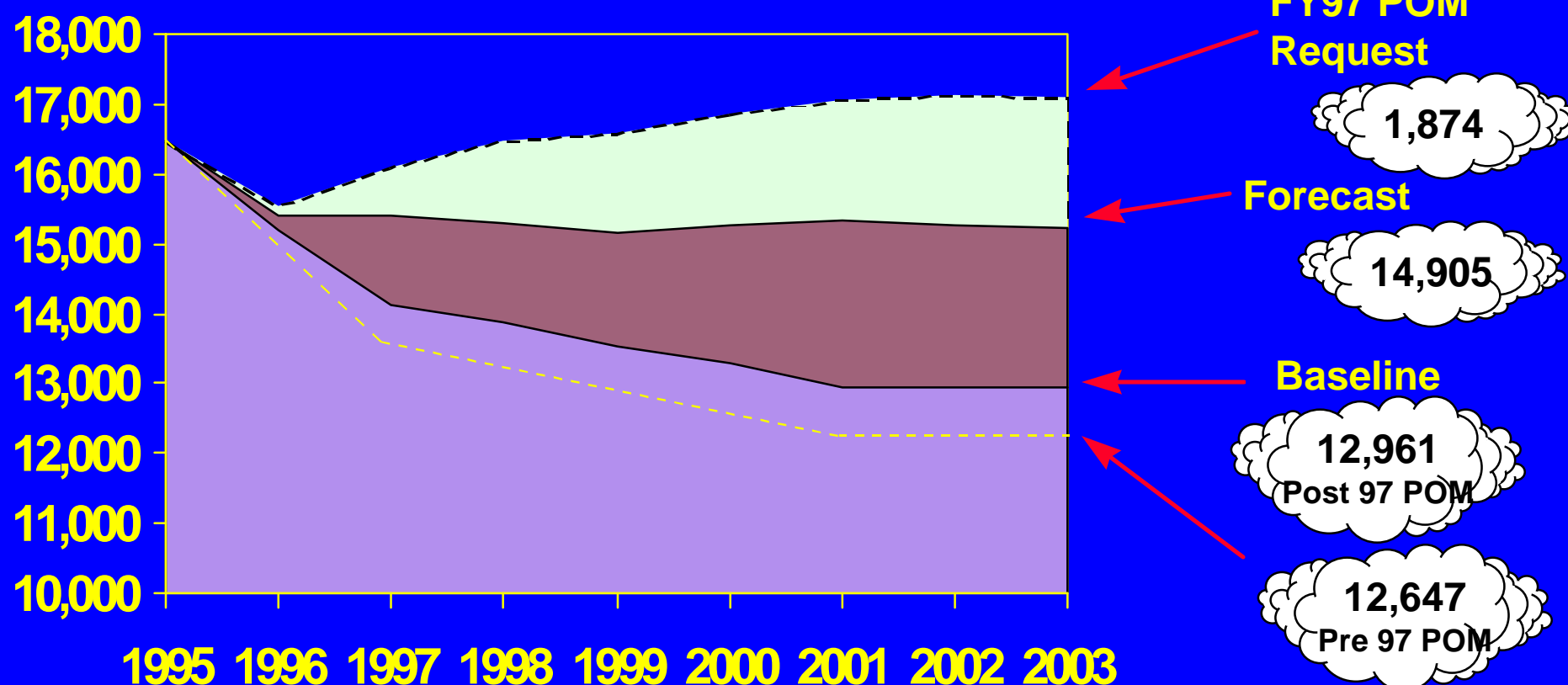
- **Role of Government**
- **Acquisition Reform**
- **Budget Reductions**

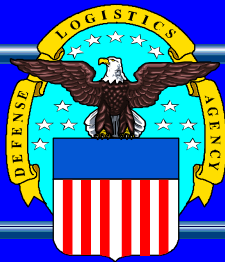




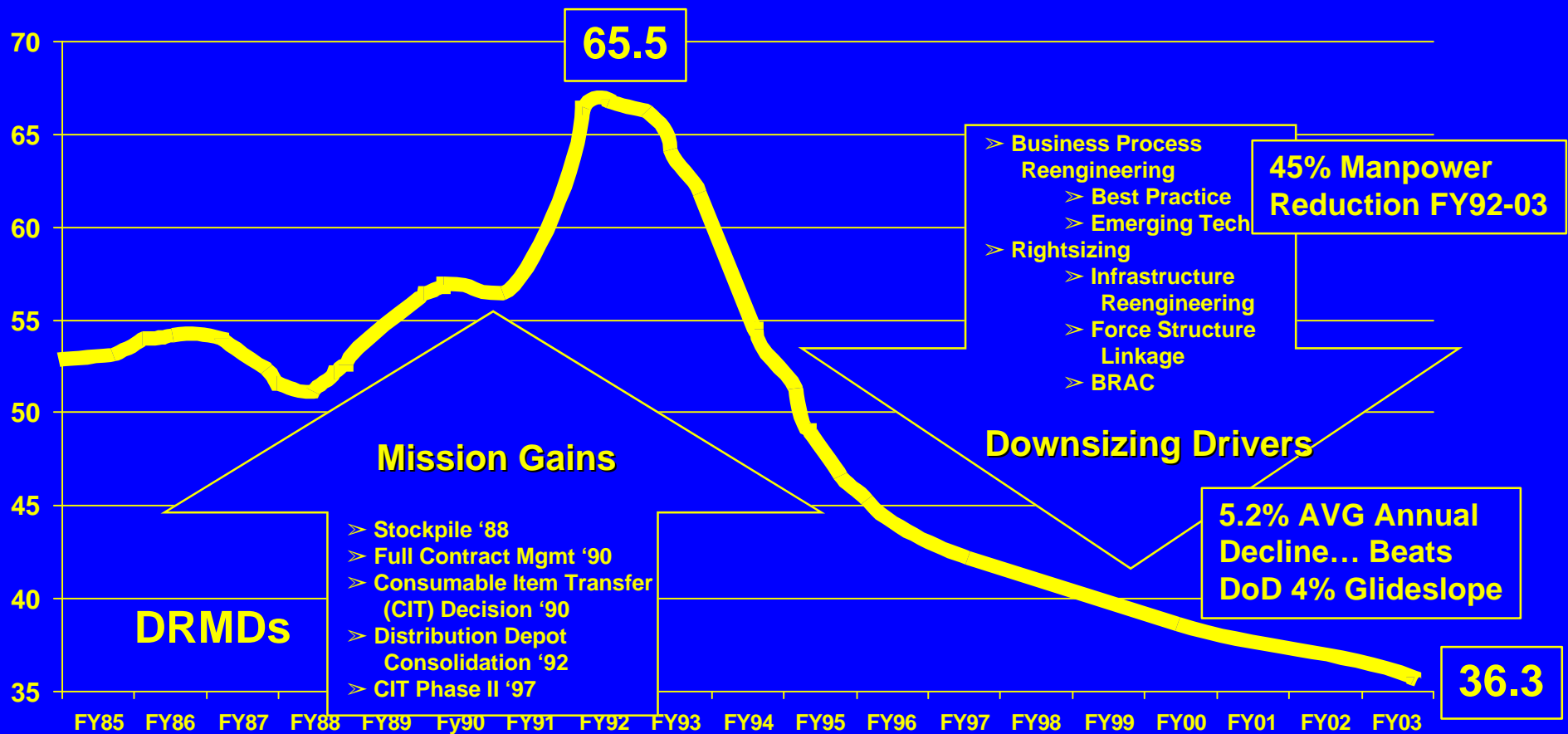
# DCMC Process Improvements Help Fill Gap

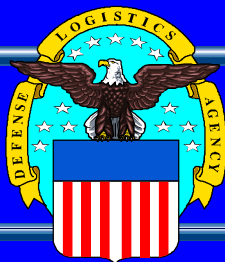
## Endstrengths



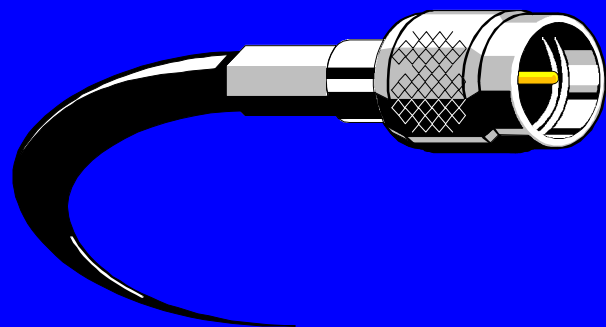


# Staffing Profile 85-03



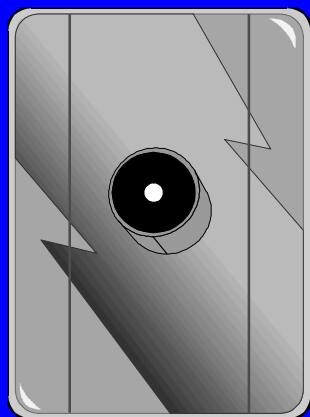


# Made Easy

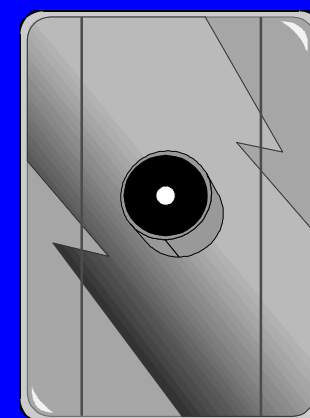


Then  
*Oversight*

**Contractor Products  
& Practices**

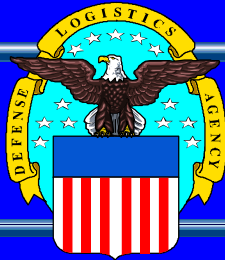


Now  
*Insight*



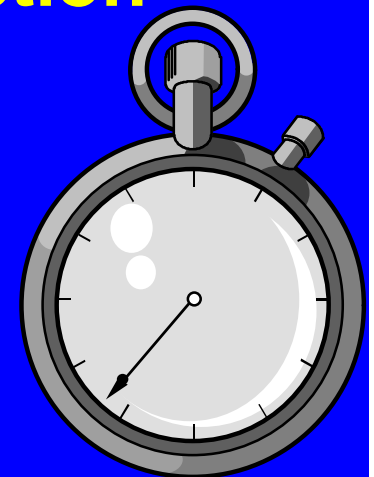
**DoD  
Requirements  
& Systems**





# How Performed

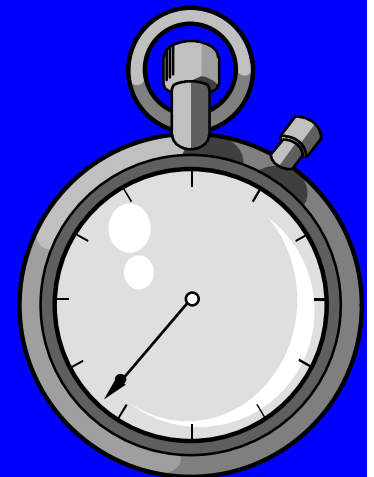
- **More Risk Management... Less Compliance**
- **Move From Oversight to “*Going Business Concern*” Concept**
- **More Reliance on Data**
- **More Analysis, Interpretation, and Prediction--  
Recommendations to Improve Results**
- **Continued Focus on Processes**





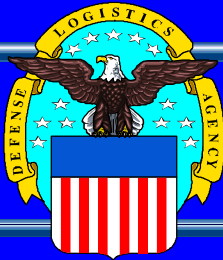
# Impact on Workforce

- **Greater Analytical Skills Required**
- **Understanding/Comfortable with Risk Management**
- **Operates in Less Structured Environment**
- **Greater Need for Management/Leadership Skills**
- **Power of Persuasion**





# **Journey to Increased Value Added and Greater Respect**



# What Is Going Well

- **We Are Increasingly Sought After for Early CAS**
- *We Are Not Getting Bashed*
- **We Get Many Compliments from Senior DoD Acquisition Leaders and Industry**
- **Our FTE and POM Recommendations Get Greater Support**



# What Is Going Well

- **We Are Sharing Our Talents and Resources Across the Command**
- **We Are Achieving Excellent Progress with Our Challenges**
- **We Are Working as Well to Assure a Viable DCMC in 5 - 10 - 20 Years**
- **There is No Doubt That We Are Here to Stay**

***We Are Going in the  
Right Direction***



# What Needs Greater Emphasis

- **Clarity and Thoroughness of Communications**
- **Standards of Service**
- **Adherence to Chain of Command**
- **Uniform Implementation of Policy and Programs**
- **Focus on the Basics**
- **Working with Our Liaisons**
- **Understanding the “Big Picture”**

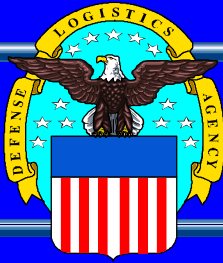
***A Lot Remains to Be Done !***



# My 10 Challenges

Aug 96 - Aug 97

- Early CAS
- ~~Reinvention Lab~~
- Intra - DCMC Communications
- Internal Process Standardization
- ~~External Process Changes~~
- Packaging DCMC Data
- Workforce Skills
- Delivery Delinquencies
- Metrics
- Information Technology Initiatives
- Prepare for DBOF
- Refine Internal Assessment



# My 10 Challenges

**Aug 96 - Aug 97**

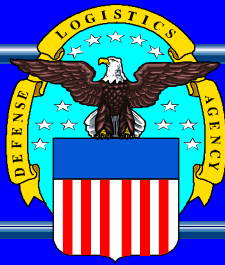
- **Provide Substantive Early CAS**
  - **Improve Collection and Application of Lessons Learned**
- **Prepare for DBOF**
  - **Establish a Detailed Plan, Including Customer Notification**
- **Improve Intra-DCMC Communications**
  - **Follow Through, Especially User Friendly Home Page**
- **Improve Standardization of Internal Process**
  - **Follow Through on Reengineered One Book**
- **Refine Internal Assessments**
  - **Upgrade our Capability to Provide Statement of Assurances**



# My 10 Challenges

**Aug 96 - Aug 97**

- **Improve Packaging of DCMC Data**
  - **Follow Through on Providing Analyses/Trends/etc.**
- **Upgrade Workforce Skills**
  - **Follow Through on SFAs**
- **Provide Earlier Notice Delivery/Delinquencies**
  - **Implement ALERTS**
- **Achieve Uniform Use of Standard DCMC Metrics**
  - **Follow Through on Implementation and Use**
- **Support Information Technology Initiatives**
  - **Follow Through on Plan; Provide Greater Scrutiny of Providers**



# Single Process Initiative

